

The US-OCHA Reserve Allocation: Implications for Quality Humanitarian Programming

SURVEY FINDINGS REPORT ON DESIGN, IMPLEMENTATION,
AND OPERATIONAL TRADE-OFFS

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A GLOBAL NGO NETWORK
FOR PRINCIPLED AND EFFECTIVE
HUMANITARIAN ACTION



Executive Summary

ICVA and InterAction undertook a joint survey of members to identify learning and experience from the initial US-funded Reserve Allocation (RA) of the Country-Based Pooled Funds. The survey received 104 responses covering 72 organizations in all 18 identified US-OCHA priority countries. Of these, 32 respondents identified as local and national NGOs (L/NNGOs) and nine as NGO forums, with the remainder representing International NGO (INGOs).

The findings indicate that the Reserve Allocation successfully enabled rapid disbursement at scale in an acute crisis context. However, OCHA's approach to implementation had consequences for transparency, localization, program quality, partnership models, and operational risk. While the funding is widely expected to deliver critical life-saving support, respondents highlighted that the current modality constrains equitable access, limits meaningful participation, and shifts risks onto implementing partners. It is recommended that future allocations retain operational efficiencies while addressing the structural constraints identified by implementing partners to maximize impact and results.

What Worked Well:

- Fast-track due-diligence processes.
- Rapid disbursement of funds, including 100% upfront payment.
- Streamlined application and approval processes, including simplified proposal and budget formats.
- Improved speed and visibility over grant processes due to digital tracking systems (One GMS)
- Clear prioritization of specific sectors and life-saving interventions.
- Responsive engagement from OCHA once partners were identified.

These features should be maintained and scaled in future allocations.

Key Challenges:

- Limited transparency and inclusion in the allocation process: decision-making processes were perceived as pre-determined and insufficiently consultative, especially by local and national NGOs (L/NNGOs).
- Constraints on localization and partnerships: allocation design parameters, short timelines, and grant conditionalities discouraged sub-granting, restricting access to funding for L/NNGOs.
- The six-month implementation window favored short-term and easily deliverable modalities at the potential cost of comprehensive programming and durable impact.
- Strict timelines and budgets created undue operational and compliance risks.
- Reporting, oversight, and compliance requirements were seen as disproportionately heavy for a six-month grant.
- Essential support costs, including staffing, compliance, and coordination, were underfunded. Inconsistent guidance and insufficient cost coverage generated confusion and funding gaps for subgrantees.

Recommendations for the Current Grant Period:

- Clarify and consistently apply a process for justified no-cost extensions.
- Address ongoing points of confusion and inconsistent interpretation across funds.
- Recognize and account for the structural limits of localization within the current tranche of funding.
- Adjust where possible grant terms and conditions related to risk ratings and allowable costs.
- Where relevant, facilitate exit and handover strategies.
- Conduct a structured and inclusive lessons-learned exercise at the end of the six-month implementation period.

Recommendations for Future US-Funded Reserve Allocations:

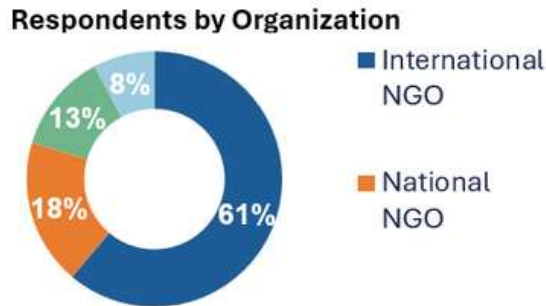
- Balance speed and simplification gains with quality programming by tailoring financing approaches to each country's specific needs, risks, and response analysis.
- Shift to a 12-month minimum implementation window.
- Ensure that HCs take steps to make decision-making more transparent and inclusive.
- Apply explicit localization safeguards.
- Ensure that budget structures cover the full costs of partnership, compliance, and safe delivery.

Introduction

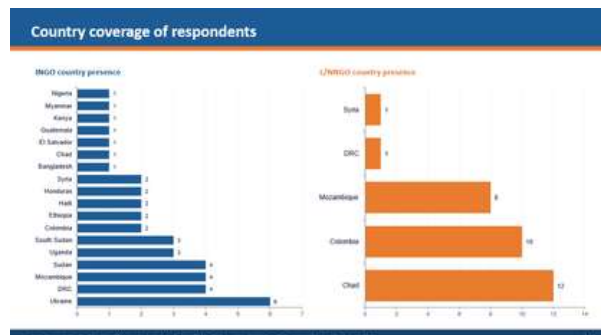
On April 1st, 2026, InterAction and ICVA launched a survey to identify initial NGO perspectives on the US-OCHA Reserve Allocation. The survey was shared in English, Spanish and French. Questions focused on access to funding, transparency and influence over decision-making, grant terms, operational feasibility, partnership and localization effects, cost coverage, risk-sharing, reporting burdens, and the challenges created by the six-month implementation window.

104 respondents from 72 organizations across all 18 identified US-OCHA priority countries participated in the survey. Respondents included:

- International NGOs (INGOs): 63 respondents
- National NGOs (NNGOs): 20 respondents
- Local NGOs (LNGOs): 12 respondents
- NGO forums/networks: 9 respondents



The following findings are based on survey responses complemented by a validation meeting held with NGO respondents on April 30, 2026. The analysis synthesizes recurring patterns across responses, while using select examples to better illustrate respondents' feedback. To preserve confidentiality, all identifying information has been removed from quoted and paraphrased responses.



Positive Practices: What Worked Well

Respondents' reflections on the US-OCHA Reserve Allocation were mixed. While some identified few or no positive features in the process, many—particularly those who received funding—highlighted a set of improved practices that enabled OCHA to move funds rapidly and with reduced procedural burden.

A number of these positive practices were seen as valuable innovations that supported an effective emergency response and should be preserved in future allocations.

Rapid Disbursement Enabled Immediate Response

The most strongly endorsed feature of the allocation was the speed of funding, particularly the use of 100% upfront disbursement. Respondents emphasized that this approach was critical for launching activities quickly in acute crisis settings. Upfront funding was especially important given the short implementation timeframe, allowing organizations to begin delivering assistance immediately rather than navigating phased disbursement.

Simplified Processes Reduced Administrative Burden

Many respondents highlighted the role of simplified proposal formats and lighter application requirements in accelerating implementation. Simplification allowed organizations to concentrate on program design and delivery. Clear eligibility criteria—such as defined risk ratings and audit requirements—were also seen as helpful in guiding submissions, although some respondents noted inconsistencies in how these were communicated or applied. Some respondents also identified the digital grants management system (GMS) as a useful feature, “which allows partners to track technical reviews and approval stages in real-time.”

OCHA Responsiveness and Accessibility (for shortlisted partners)

Survey responses described OCHA teams as accessible and willing to provide clarification once organizations were formally inside the granting process. “The OCHA team was consistently responsive to queries, providing timely clarification on processes, programming requirements, and expectations,” one respondent noted. This responsiveness facilitated a relatively smooth transition from approval to start-up. However, it is important to note that this positive experience was not universal, particularly among local and national actors or organizations that were not shortlisted, who often reported more limited access to information and support.

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Rapid Partner Engagement through Fast-Track Due Diligence

Some respondents highlighted fast-track due diligence as a constructive innovation that rapidly “facilitated the onboarding of new partners”, in some cases contributing to broader L/NNGO participation. However, this positive finding should be understood alongside broader concerns raised regarding eligibility criteria and access barriers for local actors.

Strong Strategic Focus on Life-Saving Responses

Some respondents valued the clear prioritization of life-saving interventions, aligned with HNRP priorities and severity analysis. This clarity helped guide programming decisions and focused limited resources toward the most urgent needs. At the same time, others noted that this focus could reduce flexibility to pursue more complex or longer-term programming approaches. There were also challenges with data sources, geographic and sectoral limitations, and questions around the exclusive focus on JIAF severity levels 4 and 5.

Cash-based programming was widely recognized as an effective modality in this context that “gives people choice and dignity, boosts local markets, and is often faster than in-kind aid.” Respondents emphasized its value for rapid response, though some cautioned that the narrow timeframe may have over-incentivized simplified modalities, overwhelmed markets and financing service providers and potentially came at the expense of more comprehensive interventions seeking longer-term impact.

“Gives people choice and dignity, boosts local markets, and is often faster than in-kind aid.”

Core Challenges

While the Reserve Allocation enabled rapid funding, respondents consistently identified a set of systemic challenges linked to its design and implementation. These challenges were broadly shared across contexts and respondent groups, though often more pronounced for local and national actors. Overall, the findings point to a series of consequences resulting from the prioritization of speed, scale, and compliance, with important implications for inclusiveness, program quality, and operational risk.

Governance, Transparency, and Inclusion

A major theme across responses was that many organizations did not experience the Reserve Allocation decision-making process as sufficiently transparent or inclusive. Participants repeatedly cited a lack of opportunities to meaningfully influence allocation priorities, funding envelopes or the terms and conditions of the grant. They noted that key decisions had already been made before many NGOs were meaningfully engaged. This raised concerns that the process systematically favored organizations with access to OCHA’s senior decision-makers, including Humanitarian Coordinators (HCs) and grant managers.

Insufficient Consultation in Allocation Decision-Making

Cluster and ICCG representatives reported that they were given too little time to provide meaningful feedback, asked to give recommendations that were later ignored, or were simply informed of decisions that had already been made. In one context, a coordination platform reported that members were invited to an OCHA information session but felt they were “not [invited] to genuinely participate in shaping the allocation strategy, but to legitimize a process that had already been decided.”

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One-Directional Communication from OCHA

Some participants did note clarity of communication from OCHA, although it was inconsistent or largely one-directional, shared after decisions had been taken. One participant described engagement from OCHA as “de facto announcements, rather than fora to build strategic consensus.”

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Systemic Advantages for UN Agencies

Some respondents stated that information on available funding and grant terms was initially shared within UN agencies, and only later passed to NGOs, undermining their ability to prepare for the allocation. In some cases, NNGOs reported receiving information too late to participate. Respondents repeatedly stated that national and local NGOs received limited direct consideration despite operational presence, contextual knowledge, and access to affected communities.

Politicized, Personalized Process

Overall, the lack of transparency and inclusion created the perception of a highly politicized, personalized process controlled by the HCs and driven by UN interests. Respondents also highlighted the range of approaches to partner selection in different countries, noting that their ability to participate in decision-making was highly dependent on the receptiveness of the HC. Respondents noted that at least in some cases, proactive HCs and fund managers took deliberate steps to include a diversity of NGO perspectives in decision-making.

Constraints on Localization and Partnerships

Respondents raised concerns that the allocation prioritized speed, scale and compliance in ways that systematically reduced opportunities for L/NNGO participation either as direct or indirect recipients of the Reserve Allocation funds. Respondents noted that L/NNGOs had significantly reduced funding opportunities, even in contexts where they have a strong track record of effective, cost-efficient programming compared with international actors. They warned that this approach risks undermining both long-term progress on localization and the immediate effectiveness of the response.

Limited Access to Direct Funds

Some respondents highlighted that even L/NNGOs with proven operational track records were excluded by the eligibility criteria or grant selection practices. In one case, a respondent identified that they were given 24 hours to put together proposals while INGOs and UN agencies had received more advanced notice. Overall, respondents felt that the UN agencies and large INGOs had structural advantages given the allocation criteria's emphasis on rapid absorption, ability to deliver at scale, and strong upward compliance demands.

Reduced Partnership Opportunities

A number of INGO respondents reported that the allocation design discouraged partnership-based approaches. The timelines created serious challenges for co-design, due diligence, onboarding, or consortium formation. Some respondents stated specifically that the short timeframes, high risks, and a clear discouragement of sub-granting, pushed their organizations to direct implementation rather than working through a local partner.

One respondent noted an aberrant incentive: some INGOs that had previously ceded leadership to local partners in support of localization were now either cutting out local partners or finding themselves locked out of the selection process, potentially discouraging similar efforts in the future. Some respondents noted that the impacts of these design choices will likely be felt by community-based and less formalized civil society organizations, given the lack of funding to invest in capacity-strengthening and due diligence.

Cost coverage and indirect costs were also a shared concern. Respondents noted inconsistencies in how the 7% program support costs (PSC) were shared with downstream partners. More broadly, respondents called for clearer and fairer partnership terms, including adequate cost coverage, balanced risk-sharing, transparent sub-granting arrangements and clearer roles for national partners in decision-making. Without these safeguards, sub-partnerships risk reinforcing the same hierarchy that localization commitments are meant to address.

Program Design Constraints: The 6-Month Timeline

Respondents repeatedly stated that the six-month implementation period narrowed the options for program choice, resulting in some organizations incentivizing short-term, simplified cash & NFI-based modalities at the cost of more complex, community-based work. Some respondents warned that the timeline incentivized a focus on rapid implementation at scale, potentially at the expense of impact, relevance and value for money (VFM).

Speed Over Quality

Respondents made clear that the timeline created incentives to spend quickly. Several respondents described a perceived priority above all to deliver “on time and on budget.” Some warned that large sums going to a limited number of organizations over a short period could lead to “simplistic program designs.” Others suggested that the 6-month deadline could lead to a “spending spree,” increase the risk of ineligible expenditure, and encourage organizations to prioritize high-cost activities.

| *“Six months was too short to do anything meaningful other than cash.”*

Narrowed Programming Options

The compressed timeframe narrowed what organizations felt they were able to do. Respondents described adjusting activities to fit within the 6-month window by reducing scope or selecting activities with quicker implementation potential. One respondent summarized the trade-off by noting that “six months was too short to do anything meaningful other than cash”, adding that child protection, nutrition, and food security require longer timelines to generate meaningful humanitarian impact.

While respondents in general welcomed the use of cash, they expressed concerns over potential programming imbalance, especially in areas without services, markets or financial service providers that could absorb rapid injections of money.

Respondents furthermore noted that activities with long procurement, approval, or implementation timeframes, such as pharmaceutical procurement or child protection, were less viable. One response suggested that programming was pushed toward locations and populations that were easier to reach and faster to serve. Broadly, respondents questioned the narrow definition of “life-saving,” noting that some critical actions and locations appeared to be excluded not because they were less urgent, but because they were too costly, complex, or time-intensive to fund within the allocation parameters.

Undermined Community Consultation

The compressed timeframe also limited the feasibility of community consultation, co-design, and participation. One respondent noted that meaningful community engagement requires trust-building, repeated dialogue, and time to influence decision-makers, none of which can easily be compressed into months. Respondents noted that while they are confident the system can move resources quickly, it comes at the cost of the participatory processes needed to ensure that activities are relevant, safe, and responsive to community priorities.

Risk Management, Compliance and Oversight Requirements

Threats to On-Time Delivery

Respondents flagged inflation, procurement bottlenecks, insecurity, rainy season constraints, local authority approvals and supply chain pressure as major threats to timely delivery. The compressed timeline of the grants means that multiple organizations will be seeking the same services at the same time with limited local markets and service providers. One respondent indicated that these challenges were intensified by the fact that so many organizations lost funding in 2025 and were forced to make major cuts and now have to rapidly re-hire to meet project goals.

Risks Compounded by Allocation Design

Extremely tight implementation timelines and a rigid no-extension policy could potentially leave organizations with little room to manage risks. Organizations expressed concern over potential refund obligations, immediate termination language, and the lack of clarity on consequences for incomplete delivery. Respondents flagged that this lack of clarity over primary or secondary risk consequence could lead to potentially negative coping mechanisms, including over-prioritizing fast spending or deliberately understating what could be achieved to avoid later liability.

Consequences for Oversight

Several respondents warned that the pressure to spend large budgets quickly could put additional stress on internal risk management systems, forcing organizations to adapt standard procedures, reduce monitoring, or divert capacity from other programs.

Risk Transfer Concerns

Respondents also raised concerns about risk transfer. In some cases, organizations shifted away from local partnership or sub-granting because they felt they could not safely manage downstream risk within the timeframe. One respondent said that the consequences attached to failure had pushed them to distance themselves from partners because shortcomings by a partner could “pull us down with them.” While not all organizations reported this shift, their responses suggest that the allocation design may have incentivized more conservative, centralized implementation models.

“Shortcomings by a partner could pull us down with them.”

Reporting Uncertainty

Some survey respondents felt that oversight conditions were disproportionately heavy for a 6-month award and the funding for supporting functions such as MEAL, compliance and finance was too limited. For most participants, the implications of the Accountability and Impact Team (AIT) requirements were difficult to assess. Some respondents anticipated no challenges, while others described AITs as potentially creating additional workload and staffing needs, and potentially a “control culture” rather than a genuinely supportive mechanism. Several respondents also raised concerns about inconsistent or unclear guidance for AIT participation. Some described differences across countries and regions in terms of their understanding of reporting requirements, fraud, waste, and abuse timelines and data-sharing expectations.

Cost Recovery

Grantees reported that full project costs were not covered, with underfunded lines including staffing, equipment, shared costs, coordination and administrative support. One respondent noted that the underfunding may require internal reallocation or co-funding from other sources. Respondents described confusion and inconsistent treatment of how the 7% is shared between direct recipients and downstream partners.

CBPF Contractual Issues and Inconsistencies

Several long-standing CBPF contractual issues also resurfaced, including requirements for separate bank accounts, exchange rate methodology, OneGMS structuring, repetitive document uploads across countries, and the inability to budget partner overhead or shared operational costs. One respondent noted that some of these requirements are outdated and may increase rather than reduce risk for organizations with centralized financial controls.

Inconsistent interpretation across countries added another layer of difficulty. Respondents described country-specific caps on staff costs and shifting definitions of “operational” costs. In some cases, respondents felt that UN agencies and NGOs were subject to different reporting or budgeting expectations, including concerns that NGOs were required to report at budget-line level while UN implementers could report at category level.

SURVEY RESULTS: RESPONDENT RATINGS BY ASPECT

Respondents rated 9 aspects of the Reserve Allocation on a 5-point scale. n = number of respondents per question.

Very Poor Poor Satisfactory Good Very Good



Conclusion

The US Reserve Allocation demonstrates that CBPF can mobilize and disburse large volumes of funding rapidly in response to acute humanitarian crises. Respondents widely recognized the value of simplified procedures, upfront disbursement, and accelerated decision-making in enabling timely, life-saving interventions. However, the findings indicate that this speed had real consequences for inclusiveness and program quality that may reduce the lifesaving impact of the funding.

Across contexts, the allocation design was associated with reduced transparency in decision-making, limited meaningful participation of NGOs, constrained localization outcomes, and heightened operational and compliance risks. The evidence also points to a concentration of both funding and decision-making authority within UN agencies and a limited number of large INGOs.

More broadly, the allocation reinforced power imbalances within the humanitarian system. Decision-making authority remained centralized, while implementation responsibilities and associated risks were transferred downstream to NGO partners, often without corresponding influence over key parameters of delivery. Actors responsible for delivery were not equally positioned to shape strategy, timelines, or risk frameworks. The findings show that the design both constrained and in several contexts reversed—progress on localization by limiting direct access for local and national actors and discouraging partnership-based models.

Taken together, these dynamics reflect broader structural tensions within the CBPF model. While pooled funds are increasingly intended to support flexible, field-driven, and localized responses, this allocation was often experienced as centralized, unevenly transparent, and concentrated among UN agencies and larger international actors. Future allocations will be most impactful if they retain the beforementioned operational efficiencies, while also redistributing influence, enabling meaningful participation of a wider range of actors, and ensuring funding is accessible to, and shaped by, those closest to affected populations.

Key Recommendations

For the Current Reserve Allocation

1. **Clarify and consistently apply a process for justified no-cost extensions:** Establish a clear and predictable process for granting justified no-cost extensions, particularly in volatile and high-risk contexts. Guidance must be consistent across countries and funds.

2. Adjust grant terms, harmonize guidance and reduce ambiguity: To lower risk exposure and enable more consistent implementation across contexts, OCHA should adjust and/or provide consistent guidance on:

- Allowable costs and cost categories
- Sub-granting rules and partnership arrangements
- Reporting requirements and compliance obligations
- The basis for organizational risk ratings
- Any other areas of confusion or ambiguity

3. Acknowledge and mitigate constraints on localization: Recognize that the current allocation design imposes structural limits on localization. Wherever possible:

- Maximize complementary funding to support L/NNGOs, including through CBPF Standard Allocations.
- Communicate transparently about what localization outcomes are feasible within this tranche.
- Facilitate exit or handover strategies as relevant.

4. Conduct a structured, inclusive lessons-learned exercise: Consult with the range of relevant stakeholders to identify what worked, implementation challenges, and how future allocations can better balance speed, quality, transparency, localization, risk management, and cost recovery.

For Future US-Funded Reserve Allocations:

1. Balance speed and simplification with quality and accountability: Retain simplified and rapid processes, but explicitly address trade-offs with program quality, partnership and localization and accountability to affected populations. Future allocations must avoid overreliance on fast-disbursing modalities where broader or more integrated responses are required. Financing approaches must be tailored to each country's specific needs, risks, and response analysis.

2. Adopt a minimum 12-month implementation window: Allow enough time for set-up, procurement, community consultation, local partnership, implementation, MEAL, and responsible exit planning.

3. Strengthen transparency and inclusion in allocation decisions: Ensure that allocation processes are open, transparent, and consultative, and not overly dependent on individual decision-makers (e.g. Humanitarian Coordinators). This includes:

- Early and meaningful engagement of NGOs in strategy development, including proactive engagement of L/NNGOs and NGO platforms in decision-making.
- A more consistent, clear role for Advisory Boards.

4. **Apply explicit localization safeguards:** Future allocations should include concrete measures to strengthen L/NNGO access to funding, including:
 - a. Dedicated funding floor for L/NNGOs.
 - b. Simplified and adapted due diligence requirements.
 - c. Equitable partnership models and viable sub-granting arrangements.

5. **Ensure full cost coverage for quality delivery:** Enable organizations to budget for the full cost of safe and effective implementation, including finance, compliance, and MEAL functions, safeguarding and risk management systems, partner support and coordination and staff safety, security, and duty of care.

6. **Provide clear, consistent guidance on donor policy constraints:** Before grant agreements are signed, clarify any applicability, exemptions, and legal implications to ensure partners can make informed decisions before accepting funding.

About InterAction

InterAction is the largest U.S. alliance of international nongovernmental organizations (NGOs), with more than 200 Members working in every developing country. Member organizations are large and small, secular and faith-based, with a focus on the world's most poor and vulnerable populations. InterAction convenes, connects, and advocates to shape policy and practice that advance the collective impact of its members and the broader sector.

About ICVA

The International Council of Voluntary Agencies (ICVA) is a global network of humanitarian and human rights non-governmental organizations that advocates for effective humanitarian action. ICVA works to ensure that humanitarian policies and practices are informed by the perspectives of NGOs and the communities they serve. Through its membership of over 170 organizations, ICVA facilitates collective NGO engagement in humanitarian coordination, policy development, and accountability processes at global, regional, and country levels.